

Message Text

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SUBJ: ONTARIO SPEECH FROM THRONE PROMISES
BROAD RANGE OF ACTIVITY

BEGIN SUMMARY - ONTARIO GOVERNMENT LEGISLATIVE MESSAGE,
WHILE RECOGNIZING ECONOMIC CRISIS AS PRIMARY TARGET,
HAS PROVINCE HOLDING FISCAL LINE WHILE FEDERAL-PROVINCIAL
COOPERATION ACHIEVES BASES FOR NECESSARY POPULAR
CONFIDENCE. SIMILAR RELIANCE ON OTTAWA ACTION SLATED
FOR GATT AND AUTO PACT ACTIONS. END SUMMARY.

1. IN THE SPEECH FROM THE THRONE OPENING THE SECOND SESSION
OF THE THIRTY-FIRST PARLIAMENT OF THE PROVINCE OF ONTARIO
ON FEBRUARY 21, 1978, THE MINOTIRY PROGRESSIVE CONSERVATIVE
GOVERNMENT OF PREMIER WILLIAM DAVIS OUTLINED A BROAD RANGE
OF ACTIVITY NECESSARY TO FACE THE "CLEAR AND DIRECT
CHALLENGES FOR THE CONTINUING STRENGTH OF OUR PROVINCE AND
OUR NATION. THE MOST CRUCIAL CHALLENGES ARE OF AN ECONOMIC
NATURE, RUNNING TO THE VERY HEART OF THE FORCES THAT MAKE OUR
ECONOMY BOTH PROSPEROUS AND FREE, AND THAT ALLOW US TO PROVIDE
THE MANY SERVICES THAT ARE ESSENTIAL TO THE WELL-BEING OF
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ALL OUR CITIZENS."

2. THE GOVERNMENT DESCRIBED THE FOUNDATION OF ITS ACTIONS AS
THAT OF ESTABLISHING CONFIDENCE AND TARGETED ON THE HEALTH
OF THE PROVINCIAL ECONOMY, THE SECURITY AND GENERATION
OF WORKERS' JOBS AND INCOMES AS THE PRIMARY TARGETS OF
GOVERNMENT ACTION DURING THIS SESSION. "THESE NEEDS WILL

LARGELY BE MET THROUGH ALTERNATIVES TO A DOCTRINAIRE RELIANCE ON PUBLIC SPENDING." THE SPEECH RECOUNTED THE STEPS TAKEN AT THE FIRST MINISTERS' MEETING IN OTTAWA EARLIER THIS MONTH WHEN FEDERAL AND PROVINCIAL AUTHORITIES UNDERTOOK THE BEGINNINGS OF CO-OPERATIVE ACTION IN THE SITUATION WHERE CONDITIONS REQUIRED FOR ECONOMIC RECOVERY ARE BOTH NATIONAL AND INTERNATIONAL IN SCOPE. THE GOVERNMENT OUTLINED THE CONTINUATION OF SEVERAL NON SPECTACULAR LABOR MEASURES TO PROMOTE EMPLOYMENT AND TO ASSIST GOOD RELATIONS BETWEEN LABOR AND MANAGEMENT.

3. THE GOVERNMENT OF ONTARIO ANNOUNCED ITS SUPPORT FOR THE DECISION OF THE FIRST MINISTER'S REGARDING THE ROLE OF THE ECONOMIC COUNCIL OF CANADA IN ANALYZING PRICE AND COST DEVELOPMENTS. "FOR ITS PART, THE PROVINCE WILL SET FAIR AND FIRM GUIDELINES WITH RESPECT TO PUBLIC SECTOR SPENDING AND IS CONFIDENT THAT COMPENSATION FOR PUBLIC SERVANTS WILL BE MODERATED ACCORDINGLY." THE PROVINCIAL GOVERNMENT ALSO ANNOUNCED THAT SPENDING FOR THE COMING FISCAL YEAR WILL BE HELD BELOW REVENUE INCREASES AND THAT SPECIFIC MEASURES WILL BE IN THE 1978 ONTARIO BUDGET, TO BE PRESENTED BY THE TREASURER ON MARCH 7.

4. THE SPEECH CONTINUED THAT "WE MUST STRENGTHEN OUR INDUSTRIAL STRUCTURE IN ORDER TO BE COMPETITIVE ON AN INTERNATIONAL SCALE. ONTARIO'S INVOLVEMENT IN THE UNCLASSIFIED

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SEARCH FOR SOLUTIONS BEYOND OUR BORDERS HAS INCLUDED CONSULTATIONS WITH THE FEDERAL GOVERNMENT FOR THE CURRENT GENEVA NEGOTIATIONS ON THE GENERAL AGREEMENT ON TARIFFS AND TRADE. WHILE WE RECOGNIZE THAT CERTAIN SECTORS OF OUR ECONOMY WILL BENEFIT FROM FREER AND FAIRER TRADE, WE REMAIN CONCERNED ABOUT THE LIKELIHOOD OF REAL RECIPROCITY BEING ACHIEVED, PARTICULARLY WITH RESPECT TO SECONDARY MANUFACTURERS. WE MUST, THEREFORE, ENSURE THAT CANADIAN-BASED INDUSTRIES ARE GIVEN ADEQUATE PROTECTION THROUGH PERIODS OF ADJUSTMENT AND POSSIBLE RATIONALIZATION IN THE YEARS IMMEDIATELY AHEAD." THE GOVERNMENT CONTINUED TO SPEAK OF INCENTIVE MEASURES DESIGN TO PROMOTE INDUSTRIAL DEVELOPMENT AND EXPORTS, ITS PARTICIPATION IN THE "BUY CANADA" CAMPAIGN AND ITS DETERMINATION TO REMOVE UNNECESSARY ENCUMBRANCES THAT HINDER EXPANSION OR EFFICIENT BUSINESS OPERATIONS. "ONTARIO WILL CONTINUE TO PRESS FOR REDUCTION IN THE TRADE IMBALANCE OF THE AUTO PACT AND WILL EXAMINE OTHER POSSIBILITIES FOR ENCOURAGING A MUTUALLY BENEFICIAL FLOW OF TRADE. WITH THE ASSISTANCE OF THE FEDERAL GOVERNMENT, APPROPRIATE STEPS WILL BE TAKEN TO ENSURE THAT A FAIR SHARE OF FUTURE DEVELOPMENT IN NORTH

AMERICAN AUTO AND AUTO PARTS MANUFACTURING TAKES PLACE IN
OUR PROVINCE."

5. A WIDE RANGE OF SOCIAL (HIGHER DRINKING AGE),
TRANSPORTATION (MANDATORY AUTO INSURANCE), JUDICIAL AND
CULTURAL LEGISLATION IS PROMISED IN THE SPEECH. THE
PARTICULAR PROPOSALS REGARDING FRENCH LANGUAGE WILL BE
COVERED IN A SEPARATE MESSAGE.

6. COMMENT - THE SPEECH FROM THE THRONE IS A TRUE COMPEN-
DIUM OF ALL THINGS BRIGHT AND BEAUTIFUL. PREMIER DAVIS
AND HIS MINORITY GOVERNMENT MAY FACE PROBLEMS IN THE
INITIAL WEEKS OF THE LEGISLATURE WITH THE OFFICIAL LIBERAL
OPPOSITION AND THE NDP UNDER ITS NEW LEADER MICHAEL
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CASSIDY AS BOTH PARTIES HAVE TAKEN STRONG ISSUE WITH THE
GOVERNMENT ON THE QUESTION OF URANIUM SUPPLY CONTRACTS
SIGNED BY ONTARIO HYDRO AND REQUIRING CABINET APPROVAL
AND ON THE QUESTION OF MAKING FRENCH AN OFFICIAL LANGUAGE
IN THE PROVINCE. IT'S HARD TO SAY HOW FAR THE OPPOSITION
PARTIES WILL PUSH THESE MATTERS, BUT, FOLLOWING TWO
PROVINCIAL ELECTION IN A FAIRLY SHORT PERIOD OF TIME, IT
IS OBVIOUS THAT NONE OF THE PARTIES EITHER WANT OR ARE
PREPARED ORGANIZATIONALLY OR FINANCIALLY TO FACE ANOTHER
ELECTION. NEGATIVE REACTIONS OF BOTH OPPOSITION LEADERS
PRIOR TO FORMAL RESPONSES IN LEGISLATURE BASED PRINCI-
PALLY ON LACK OF PROGRAM AND LEADERSHIP IN MESSGE.
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